



COMMITTED
ADVISORS



Environmental, Social and Governance Policy

January 2023

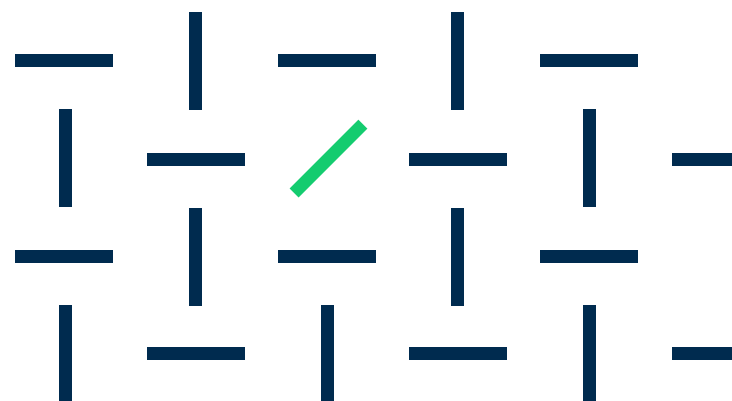


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Introduction and Principles

Committed Advisors is a portfolio management company regulated by the Autorité des Marchés Financiers (“AMF”) in France and approved as an Alternative Investment Fund Manager (“AIFM”). The purpose of our funds is to invest in private equity funds, mainly through secondary transactions, but also primary commitments.

From the start, responsible investment has been an integral part of our culture and a guiding principle. Committed Advisors made the choice to become a UNPRI signatory as early as 2013, less than two years after closing its first fund. Our long history of engagement on Environmental, Social, and Governance (“ESG”) principles reflects our core belief that such matters are fundamental in achieving long term success and ultimate value creation for our investors.

As a primary investor and secondary purchaser of interests in funds, our approach is centered on promoting and encouraging the acceptance and implementation of responsible investment principles among underlying fund managers. In a fast-evolving investment environment, our aim is to stay at the forefront of the fund-of-funds industry by actively participating in the global push towards adoption of higher ESG standards. We believe in the importance of our role as an active investor in this private and not yet harmonized market.

Over the past year, we have formalized an ESG Committee which is headed by Barthelemy de Beaupuy, Managing Partner of Committed Advisors. This ESG Committee is composed of several members of the firm across various practice areas and holds monthly meetings. Our ESG Committee’s mission is to define and monitor the implementation of Committed Advisors’ ESG policy.

Committed Advisors endeavors to continue building on our ESG commitment by accelerating the roadmap:

- Fully-integrated ESG due diligence and scoring in our investments
- Systematic monitoring and reporting on ESG criteria
- Annual ESG training for all employees
- Continued commitment to ESG principles in our day-to-day behavior

What Are Environmental, Social, and Governance (« ESG ») Criteria?

Environmental criteria cover the impact of investments on nature and the environment, such as :

- Pollution
- Climate change
- Energy efficiency
- Waste management
- Deforestation

Social criteria cover the individual and collective human aspects of an investment, such as:

- Labor and health conditions
- Impact on communities
- Diversity and inclusion
- Transparency

Governance criteria cover the management and corporate analysis of an investment, such as:

- Corporate structure and control mechanisms
- Remuneration policies
- Internal compliance
- Reporting and accountability.

Commitment to the United Nations Principles for Responsible Investment (“UNPRI”)



Since 2013, Committed Advisors has been a signatory to the **United Nations Principles for Responsible Investment** (“UNPRI”) and therefore committed to adopt and implement these principles.

By signing these internationally recognised principles, we wanted to publicly demonstrate our commitment to responsible investment and be a part of the global community seeking to build a more sustainable financial system.

We are committed to applying the following six principles from the UNPRI:

- We will incorporate ESG issues into investment analysis and decision-making processes.
- We will be active owners and incorporate ESG issues into our ownership policies and practices.
- We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- We will promote acceptance and implementation of the Principles within the investment industry.
- We will work together to enhance our effectiveness in implementing the Principles.
- We will report on our activities and progress towards implementing the Principles.

As a signatory of UNPRI, Committed Advisors reports on its responsible investment activities annually, which is one of the explicit commitments made by signatories.

Annual UNPRI reporting not only ensures the transparency and accountability of our compliance with the Principles, but it is also a way for us to receive feedback and evaluation of our progress in order to continuously improve ourselves on ESG matters.

Participation in the ESG Data Convergence Initiative (“EDCI”)



In 2022, Committed Advisors became an LP member of ILPA’s **ESG Data Convergence Initiative** (“EDCI”), a group of investors and private equity firms working together to advance a standardized set of ESG metrics for the private equity industry.

The EDCI works towards streamlining the historically fragmented approach to collecting and reporting ESG data into a critical mass of meaningful, performance-based, comparable ESG data from private companies.

This initiative should ultimately allow GPs and portfolio companies to benchmark their current position and generate progress toward ESG improvements while enabling greater transparency and more comparable portfolio information for LPs.

Our ESG Governance and Objectives

Since 2020, we have formalized an ESG Committee, headed by Barthelemy de Beaupuy, managing partner and Chief Executive Officer of Committed Advisors.

The ESG Committee is a multi-disciplinary group which includes members of our investment, legal and compliance teams.

Members of the ESG Committee



Barthélémy de Beaupuy
Managing Partner



Cécile Ramond
GC & CCO



Philippe Theiller
Principal



Alissandre Dugay
Analyst

The ESG Committee is responsible for coordinating and continuously reinforcing our ESG efforts and practices. It defines and monitors the implementation of Committed Advisors' strategy in the following areas:

- Continued integration of ESG analysis in the investment process;
- Improvement of the content and quality of ESG reporting offered to our investors;
- Monitoring of the ESG regulatory environment, developments and market standards (including participation in trainings and professional associations groups); and
- Maintaining ESG awareness and culture as part of the core values of the firm.

The ESG Committee reports to the Managing Partners of Committed Advisors on the advancement of its works during an "ESG Committee Update" meeting which is held at least annually.

In addition to the ESG committee, all employees of Committed Advisors are responsible for implementing the principles set in our ESG policy in their activities, and this commitment is evaluated as part of their annual performance reviews. All of our employees receive training on ESG matters at least annually.

Our Day-to-Day ESG Commitments

Committed Advisors first endeavors to implement ESG principles and policies as part of its own management and day-to-day activities.

Environment

Committed Advisors has gradually implemented positive environmental practices in its offices by:

- reducing greenhouse gases emissions (in this respect, team members favor conference calls over travelling);
- fully covering employees' access to public transportation in order to encourage its use;
- using responsible printing practices and paper recycling;
- sorting waste when appropriate;
- efficiently using natural resources and reducing energy usage; and
- eliminating single plastic use (bottles, cups etc.).

In order to continue improving its environmental impact, Committed Advisors has engaged a specialist provider (Greenly) to analyze its carbon footprint and advise on possible additional emissions reduction strategies for the future.

Social

Committed Advisors complies with equal opportunity principles as part of its fair recruitment policy and strives to promote diversity of people and cultures, as well as gender equality within the firm. We are a signatory of France Invest's "Gender Equality Charter" since 2019.

The management has implemented profit sharing plans and grants of carried interest shares allowing all staff members to be incentivized with the performance of the firm and the funds.

Committed Advisors encourages the personal and professional development of its employees by providing yearly assessments of individualized objectives and performance, and by offering regular internal trainings.

We are also attentive to our employees' health and well-being, which includes the firm holding regular team building and social events, providing healthcare coverage, fully-paid maternity and paternity leave and flexible work schedule arrangements.

Governance and Ethics

Committed Advisors' internal code of ethics requires all employees to comply with strict standards of professional and business conduct drafted in accordance with the firm culture of excellence, as well as applicable legislative and regulatory provisions and industry guidelines and standards.

Our set of internal procedures covers a broad range of issues, such as : conflicts of interest, anti-money laundering, restrictions on personal transactions, confidentiality and anti-corruption measures. All employees commit in writing to abide by this set of rules, as well as the rules contained in "Ethics Rules for private equity portfolio management companies" published by the French private equity association (France Invest) and approved by the French regulator (*Autorité des Marchés Financiers*) as a professional standard.

In accordance with best practice, Committed Advisors' governance includes involving our investors in decisions impacting funds (such as key person departures) as well as disclosing conflicts of interests and submitting them to an Advisory Committee in place for each fund.

In addition, Committed Advisors is active in the governance of its portfolio investments by exercising its governance rights (by vote) when granted.

Transparency

Committed Advisors is committed to transparency towards its investors with regards to ESG-related information. We provide a detailed ESG section in the half-yearly management reports of our funds, including our ESG policy, statistics on ESG awareness among the underlying funds' general partners and any specific ESG matters identified at the underlying portfolio level during the period. In addition, we cover ESG matters as necessary during our discussions with investors at the Annual General Meeting.

Our ESG Investment Process and Tools

ESG is a core component of customary due diligence performed by Committed Advisors when evaluating investment opportunities and is integrated in each step of our investment process.



Exclusion analysis

As an initial step in our investment process, the team performs an “exclusion analysis” to identify potential red flags, reputation and ESG risks in relation to the underlying companies. Committed Advisors believes that specific business practices are not compatible with ethical standards and ESG standard practice. As such, Committed Advisors restricts investments in identified sectors and non-cooperative jurisdictions.

Reputation risk investments	ESG risk investments
Production, sale or distribution of tobacco *	Non-Cooperative Jurisdictions * (such as Iran, Myanmar, Democratic People's Republic of Korea...) ↳ Risks identified : corruption / anti-money laundering / human rights / childhood labor / financing terrorism
Production, sale or distribution of alcoholic beverages *	Production of Energy ↳ Risks identified : pollution / global warming / biodiversity
Sale or distribution of weapons or armament devices *	Production of Oil and Gas ↳ Risks identified : pollution / global warming / biodiversity
Pornography *	
Operation of casinos, gambling places or lotteries *	

* Exclusion policies

ESG due diligence

As the investment process progresses, Committed Advisors focuses its ESG due diligence on three key components of the GP's ESG engagement :

- *General ESG matters*: to assess the implementation of general ESG principles by the GP, such as being a signatory of UNPRI or equivalent international charter, having an ESG policy and ESG reporting in place and more broadly, whether the GP is aware and sensible to ESG principles and guidelines,
- *Management Company-level ESG*: to assess how ESG principles are being implemented at the management company's level, such as the initiatives taken at company level to protect the

environment, the policies and procedures in place against the risks of anti-money laundering and conflicts of interest and with regards to employee matters.

- *Investment-level ESG*: to assess how ESG principles are integrated and promoted within the investment phase; during ownership of the investment; and related outcome at exit.

Our initial diligences rely on available ESG information communicated and / or published by the GP. When the transaction allows for it, we conduct an in-depth analysis of the GP's ESG practices through the use of an ESG questionnaire, discussions with the team and review of relevant documents. The due diligence phase also includes an evaluation of the GP team-related risks, such as the team's stability and diversity, and the quality of the governance in place. Finally, we leverage our network to identify any possible reputational issues associated with the GP.

Finally, AML-CTF checks are systematically performed on the GP, through the completion of a detailed questionnaire, collection and analysis of extensive documentation. Due diligence and risk assessment are completed by the use of the "World-Check Risk Intelligence" extensive database. In compliance with the strict standards applicable to registered portfolio management companies, we establish an AML risk classification and regularly monitor such information.

The ESG diligence is computed in our proprietary scoring system to produce an "ESG score" for each transaction. As a result of this analysis, investment opportunities are classified among four categories.

ESG SCORING SCALE

Rating 4	GP is best-in-class on market ESG standards
Rating 3	GP meets market ESG standards
Rating 2	GP requires further monitoring to ensure ESG best practices are being implemented to meet market standards
Rating 1	actual ESG issues are in contradiction with Committed Advisors' responsible investment policy and the investment is not recommended

ESG commitments

ESG considerations are also taken into account during the legal negotiation phase before finalization of an investment. If further ESG compliance is required from the GP, Committed Advisors may formalize such requirement by requesting a written commitment from the GP either in a side letter or other governing documents.

Our standard side letter requests include :

- *Acknowledgement of our UNPRI signatory status and ESG policy*
- *Compliance with our sector / jurisdiction restrictions or excuse rights*
- *Commitment to improving ESG policies (when the existing ESG scheme does not fully meet our standards)*
- *Commitment to provide appropriate ESG reporting on the underlying portfolio if necessary*

ESG monitoring

In addition to investment-phase due diligence, we conduct periodic ESG campaigns on underlying managers asking them to complete our proprietary questionnaire. This process allows us to track and monitor progress and benchmark ESG scores across our portfolios. It also enables us to inform our GPs of how they are ranking vs their peers, to create meaningful insight and opportunities on developing ESG issues, and to produce qualitative and quantitative reporting to our investors. Select data from our ESG campaigns is presented in the annual reports of the Funds.

SFDR Disclosure

After careful review of the requirements set out in the EU Sustainable Finance Disclosure Regulation (“SFDR”) and draft Regulatory Technical Standards, we have concluded that our secondary and primary fund-of-fund investment strategy is not currently adapted to the consideration of principal adverse impacts of investment decisions on sustainability factors (the “PAI regime”) and the technical reporting requirements of such specific regime. We have therefore decided not to adopt the PAI regime for our current funds.

We are however supportive of the policy aims of the PAI regime to improve transparency on how market participants integrate consideration of the adverse impacts of their investment decisions on sustainability factors. We will continue to engage with our partners on these matters and keep this decision under regular review.

Contacts

For more information, you may reach the members of the ESG Committee at esg@committedadvisors.com